

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re** : **Chapter 11 Case No.**  
: **LEHMAN BROTHERS HOLDINGS INC., et al.,** : **08-13555 (JMP)**  
: **Debtors.** : **(Jointly Administered)**  
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**DECLARATION OF DAVID DESCOTEAUX IN SUPPORT  
OF DEBTORS' MOTION PURSUANT TO SECTIONS 105 AND  
363 OF THE BANKRUPTCY CODE FOR AUTHORIZATION TO  
SELL EQUITY INTERESTS IN WILTON RE HOLDINGS LIMITED**

Pursuant to 28 U.S.C. § 1746, I, David Descoteaux, declare:

1. I am over the age of 18 years and make these statements of my own personal knowledge. If called to testify, I could testify to the truth of the matters set forth herein.
2. I submit this Declaration in support of the *Motion Pursuant To Sections 105 and 363 of The Bankruptcy Code For Authorization To Sell Equity Interests In Wilton Re Holdings Limited* (the "Motion").
3. I am a Managing Director with Lazard Frères & Co. LLC ("Lazard"), investment banker to the Debtors. I have advised the Debtors on various transactions commencing in September, 2008. Based on discussions I have had with Lazard employees working under my supervision, I have personal knowledge of the facts set forth in this declaration.
4. LBHI, through its advisors Alvarez and Marsal North America LLC ("A&M"), contacted Lazard in December 2011 and informed Lazard that (i) LBHI was seeking to monetize its interest in Wilton Re Holdings Limited ("Wilton" or the "Company"), and (ii) LBHI had been approached by Wilton with the offer to repurchase the LBHI Shares, representing approximately 25% of the Class A common shares outstanding, for \$390 million, or

\$69.00 per share (the “Proposal”). The LBHI Shares are a highly illiquid, minority interest, the transfer of which is subject to approval by Wilton’s Board of Directors, rights of first refusal, and “tag-along rights”. LBHI requested that Lazard advise the Debtors as to the value of the LBHI Shares so that LBHI could evaluate Wilton’s offer.

5. To perform its analysis, Lazard (i) reviewed the financial terms and conditions contained in a draft, dated December 20, 2011, of the share purchase agreement, (ii) reviewed certain historical business and financial information relating to the Company, (iii) held discussions with members of the senior management of the Company with respect to the business and prospects of the Company, (iv) reviewed certain financial forecasts prepared by the Company, (v) reviewed public information with respect to certain other companies in lines of business Lazard believed to be generally relevant in evaluating the business of the Company, (vi) considered certain economic and industry information relevant to the operating business; and (vii) conducted such other studies, analyses, inquiries, and investigations as it deemed appropriate. Lazard assumed and relied on the accuracy and completeness of all financial and other information furnished to it by the Company and A&M as well as publicly available information, without independent verification.

6. Lazard conducted a range of analyses in order to evaluate the Proposal. Lazard’s analysis primarily focused on a review of price to book value per share, price to adjusted book value per share and price to earnings per share trading multiples of selected publicly-traded U.S. life insurers, including but not limited to Reinsurance Group of America (“RGA”), the only publicly-traded U.S. life reinsurance company. Lazard also considered the historical price to adjusted book value per share and price to earnings per share multiples of RGA and of a group of selected publicly-traded U.S. life insurers over the last five years.

Additionally, Lazard reviewed the multiples of price to book value per share and price to adjusted book value per share paid in precedent investments or capital calls with respect to the Company.

7. Lazard derived valuation ranges based on these analyses and the application of selected ranges of multiples to the Company's book value per share, adjusted book value per share, and operating earnings per share. In addition, Lazard considered an illustrative forward-trading analysis of the Company, consisting of the present value of the potential trading value per share of the Company in 2014 (estimated) based on a range of multiples of adjusted book value per share and discount rates.

8. It is Lazard's understanding that under the proposed transaction, LBHI has agreed to sell its common shares, in Wilton, representing approximately 25% of the Class A common shares outstanding, back to Wilton for \$69 dollars a share. Based on Wilton's book value as of September 30, 2011, this price per share equates to a slight premium to Wilton's adjusted book value per share (excluding accumulative other comprehensive income). In the context of Lazard's analyses, and excluding any discount with respect to illiquidity, the price per share offered by Wilton for the LBHI Shares represents an offer that is (i) significantly higher than the trading multiples of RGA, (ii) significantly above the median and mean of the trading multiples of selected publicly-traded U.S. life insurers, (iii) generally in-line with the price to adjusted book value per share multiple paid in prior investments in the Company and (iv) within the range of an illustrative forward-trading analysis.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge.

Executed on this 21<sup>st</sup> day of December 2011.

/s/ David Descoteaux

David Descoteaux